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SUBJECT: PM KOIRALA SEES UN AS THE PANACEA

Classified By: Ambassador James F. Moriarty. Reasons 1.4 (b/d).

Summary

1. (C) In an August 28 meeting, Prime Minister Koirala told House Foreign Operations Subcommittee Chairman Jim Kolbe that the United Nations would solve Nepal's problems and help to bring a lasting peace. The PM indicated that he would continue to hold the line against allowing the Maoists into an interim government until they were separated from their weapons. The PM also stressed the importance of economic assistance to Nepal in order to keep Nepal from becoming a failed state.

UN is the Solution to Nepal's Problems

2. (C) PM GP Koirala stressed to a four-member CODEL headed by House Appropriations Foreign Operations Subcommittee Chairman Jim Kolbe (R-AZ) the importance of the UN peace facilitation mission to Nepal's peace process. The PM stated that he had originally thought that a monitoring role would be enough for a UN mission. Now he thought that the United Nations needed to play a major role in solving the country's political problems. The PM opined that if the UN could not separate the Maoists from their weapons and came only as "a spectator," the UN would be no more credible than "a league of nations." Success in Nepal would enhance the UN's reputation and failure would be a blow to the international organization's standing. The CODEL and Ambassador stressed to the PM that the UN was unlikely to do anything in Nepal without a clear and detailed agreement between the government and the Maoists. The PM responded that the UN should be able to start a dialogue and tell the Maoists to separate the Maoist People's Liberation Army from its weapons.

Maoists Not a Political Party

3. (C) The PM made it clear that he would not consider the Maoists to be a legitimate political party until they gave up their weapons. The PM stated that as long as the Maoists had

weapons, they remained a rebel group, and should not be allowed into any interim government. PM Koirala proclaimed that "I will never agree to anything less than the separation of the Maoists from their arms." He voiced concern that the Maoists continued to terrorize the common people and to maintain their own parallel local government structures. The PM made clear that he regarded the UN Mission as the solution to all these problems.

#### Economic Prosperity Vital

14. C) The CODEL expressed concern at the deteriorating economic and business environment in Nepal. The PM agreed, and stressed the importance of economic support from the international community as Nepal moved forward in its transition to democracy. The PM recognized the importance of maintaining law and order and stopping Maoist extortion of businesses. He reiterated his expectation that once the UN came in and worked out the arms management issue, the government could focus on economic issues. The PM stated that "if we fail economically, then the nation will fail."

#### Comment

15. (C) The Government of Nepal continues to see the UN as a panacea for all of Nepal's problems. In his meeting with Chairman Kolbe, Koirala seemed to be pushing responsibility for bringing peace to Nepal onto the UN, and away from himself and the country's other political actors. If the UN mission fails to bring the type of peace that the PM envisions, it would be convenient for all sides to blame the UN for the failure and evade responsibility themselves. That said, the PM's strong line against allowing the Maoists into government until they separate from their arms was reassuring; the issue remains the litmus test of the GON's resolve to counter the Maoist threat and succeed in Nepal's transition to democracy.

MORIARTY